

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 10/24/2014

GAIN Report Number: BK1409

Bosnia and Herzegovina

Post: Sarajevo

EU Annual Report Finds BiH Makes Little Progress in Agriculture

Report Categories:

Agricultural Situation

Approved By: Christine Sloop

Prepared By:Sanela Stanojcic

Report Highlights:

The European Commission released its Progress Report on BiH's pre-accession efforts and concluded that substantial work remains to be done in the fields of agriculture and rural development, food safety, veterinary, phytosanitary policy, and fisheries. BiH has yet to adopt a rural development strategy and it needs to improve its agricultural statistics and information system. Implementation of the food safety and veterinary *Acquis* also has been unsatisfactory. In particular, BiH's official control capacity needs to be improved. The EU audit of BiH's dairy sector found that insufficient progress has been made, thus further postponing granting access to BiH for export of milk to the EU market. The EU audit of plant health controls in the potato sector was generally positive. The overall lack of progress in the food safety area continues to adversely affect BiH's trade in agricultural products with the EU.

General Information:

On October 8, the European Commission published its Progress Report for Bosnia and Herzegovina (BiH). The EC's summary assessment is that little progress has been made in 2014 in the areas of agriculture and rural development, food safety, veterinary, phytosanitary policy and fisheries.

In the area of agriculture and rural development policy BiH still lacks a countrywide rural development strategy and central competent authority. The state-level institutions need to strengthen their capacity for coordination and harmonization of the lower level institutions, as well as their official controls and the chain of command. The Entity and Brcko District levels also need to strengthen their capacity for implementing strategies, action plans and support measures, and they need to increase their staff. BiH needs to adopt state-level laws on wine and on organic production.

Regarding preparations for the Instrument for Pre-accession Assistance for Rural Development (IPARD), BiH has not yet reached political agreement on institutional structures for decentralized management of IPA funds, thus relevant IPA projects had to be cancelled. Due to the lack of an efficient administration and effective rural credit schemes, productivity and competitiveness remain unimproved. The progress that BiH made related to agricultural statistics and the agricultural information system remain insufficient. Also, BiH needs to better prepare for an agricultural census. Also the land registration systems should be harmonized country wide.

Regarding food safety, the EC stressed that chain of command and the official food and feed control system do not comply with the EU standards, thus BiH cannot yet export goods of animal origin to the EU market. In January 2014, the EU's Food and Veterinary Office dairy audit found that BiH's capacities to implement official controls and ensure an efficient exchange of information within the control chain needed further improvements. BiH authorities prepared an action plan for improvement, but the EC noted that the plan has not yet been fully implemented; a central database for the official control system has not yet been established and the laboratory capacity for analysis of samples for official controls of food and feed chains remains to be drawn up. BiH needs to improve its checks and registration of milk farms and train its business operators to ensure they comply with relevant EU quality control standards. Finally, BiH needs to modernize its laws on, veterinary food safety, and the law on agriculture and rural development to ensure compliance with EU standards.

In the veterinary sector, BiH has continued to adopt legislation governing the control, prevention and eradication of communicable animal diseases. Control measures for bovine brucellosis and bovine tuberculosis and vaccinations against brucellosis and rabies also have been continued. BiH operates a new Animal Disease Notification and Outbreak Information Management System to monitor and eradicate animal disease outbreaks, but needs to upgrade its animal identification and movement controls to allow better implementation of animal health measures. The number of accredited laboratories and accredited laboratory methods for diagnostics of animal diseases, microbiological analyses and control of residues of veterinary medicines has increased. BiH needs to improve its system for management of animal by-products to comply with EU requirements.

In the phytosanitary sector, BiH adopted the amendments on the law on protection of new plant varieties. BiH also adopted rulebooks on the phytosanitary register and plant passports, on the list of

harmful organisms, and the list of plants, plant products, and regulated objects. The Plant Health Protection Administration started managing single phyto-registries of producers, processors, importers and distributors of plants, plant products and regulated objects. The Food and Veterinary Office's April visit to evaluate plant health controls applied in the potato sector was generally positive. The phytosanitary sector needs to continue expanding the application integrated pest management principles.

Regarding genetically engineered products (GE), the EC noted that BiH continued with the adoption of implementing regulations on monitoring the impact of GE products and products that contain or originate from GE, and on sampling, traceability and market access of GE-related products.

Regarding fisheries, BiH needs to harmonize relevant laws in this area with the Acquis to facilitate exports of fish and fishery products to the EU. The EC noted that implementation of the existing fishery legislation is uneven throughout the country.